

Office of Congressman Charles W. Dent
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Congressman Dent votes to recoup drilling revenue, use funds for alternative energy fuels

WASHINGTON, D.C. — U.S. Rep. Charlie Dent (PA-15) voted for HR 6, The CLEAN Energy Act of 2007, to correct serious mistakes made during 1998-99 in the negotiation of off-shore oil and gas drilling contracts, and also to use these recovered funds to create a “Strategic Energy Efficiency and Renewables Reserve” which will be used to accelerate research into clean, domestic, renewable and alternative energy fuels.

“I am a firm believer in the need to explore American energy sources and develop new sources to promote energy independence from unstable, unfriendly parts of the world,” Congressman Dent said. “The contracts that the Clinton Administration negotiated in the late 1990s lacked a price threshold, which means that the American people have been denied significant royalty revenues that should have been collected. I believe that money will be properly spent on developing alternative energy sources.”

In a September 2006 hearing of the Government Reform Committee, Congressman Dent demanded answers from the Department of Interior in an ongoing investigation of billions of dollars in missing federal revenues from the aforementioned offshore drilling contracts.

In a hearing held by the Subcommittee on Energy and Resources, Congressman Dent gave an opening statement and asked questions of Interior Department Inspector General Devaney. Congressman Dent called

on the Department of Interior to better explain the absence of price thresholds in deepwater leases between the Department of the Interior and various oil and natural gas companies during 1998 and 1999. Congressman Dent classified this as a “costly error.”

“Because of a gross mistake in deepwater leases during these years, the U.S. Government Accountability Office estimates a loss upwards of \$10 billion in revenue over the life of the leases,” Congressman Dent said. “As Americans continue to realize high prices at the pump, oil and natural gas companies were precluded from royalty payments for 1,100 deepwater leases.”

Congressman Dent also sent a letter to Interior Secretary Kempthorne on the matter, in which the Congressman expressed concern that “this costly error ultimately falls to the American people.”

Following legislation that Congressman Dent supported in the 109th Congress - HR 4761, the Deep Ocean Energy Resources Act - HR 6 directs the Department of Interior to renegotiate the 1998-99 leases and include the standard price triggers for royalty payments. Leaseholders who do not voluntarily agree to amend their leases will be subject to another collection mechanism.

“I am hopeful that a significant portion of the ‘Strategic Energy Efficiency and Renewables Reserve’ will go toward the development of Hydrogen and Fuel Cell technology development,” said Congressman Dent.

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